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THE TARIFF RELATIONS OF THE UNITED STATES AND THE PHILIPPINE ISLANDS

At the present time customs duties, at revenue rates, are collected by the insular government upon practically all goods imported into the Philippines and upon certain goods exported therefrom. The import taxes apply to goods coming from the United States in precisely the same manner as to goods from foreign countries. But the export duties apply only in part to wares going from the Philippines to the United States, for a drawback equal to the export tax is allowed whenever products of the islands are entered for use and consumption in the United States. Similar taxes have been imposed in the islands ever since the occupation of Manila by the American troops. The revenues derived from these taxes are paid into the insular treasury and are expended for the support of the government in the islands. They constitute over 80 per cent of the gross receipts of the government, or about 95 per cent of the net receipts available, under the present arrangements, for general purposes. Their loss would be a very serious matter to the government in the islands.

At the present time, also, customs duties are levied at the rate of 75 per cent of the Dingley tariff upon all products originating in the Philippines imported into the United States and at full rates upon all other goods coming from the Philippines. The revenue derived from these taxes, which is not very considerable, is, also, appropriated to the benefit of the insular government.¹ From the time of the American occupation of the islands to the approval of the act of March 8, 1902, which established the present tariff relations between the islands and the United States, duties were collected at the regular rates of the Dingley tariff, except for the interval between the decision of the Supreme Court (December,

¹ In one sense this arrangement results in a loss to the insular treasury. For in 1902 the drawbacks allowed on account of the export duties paid amounted to \$385,000, while the duties collected were only \$73,000, a net loss, over what would have been received had the export duties been retained, of \$312,000. See the "Monthly Summary of the Commerce of the Philippine Islands," for December, 1902, p. 636.

1901) in the case of "Fourteen Diamond Rings," Emil J. Pepke, claimant, *vs.* the United States, and the approval of that act.²

For reasons which will be discussed more fully below, the customs duties collected in the islands are considered indispensable on account of the revenues they yield. These duties, if collected at all, must apply equally to goods from the United States and to goods from Spain, because under Article IV of the treaty of Paris, this country agreed, for a term of ten years, ending April 11, 1909, to "admit Spanish ships and merchandise to the ports of the Philippine Islands on the same terms as ships and merchandise of the United States." This provision of the treaty would be comparatively unimportant if Spain were the only country beside the United States to enjoy under it any privileges in the way of free trade or tariff reduction that may be arranged for the benefit of our manufacturers. But the view has been advanced that under "the most favored nation clause" in our commercial treaties so many other nations will claim the right to participate in these privileges that the insular revenue from the customs system will be seriously impaired. It may, of course, be argued that the agreement with Spain was a special concession in the nature of part of the purchase price of the islands and that other countries cannot claim the same privilege. But it would be better if the necessity for raising the question could be avoided. There are no very cogent economic reasons which can be urged in favor of giving the United States any advantage over other nations in selling wares in the islands, when the sole obstacle is a tariff to raise revenues which are much needed in the islands and which cannot be had so well in any other way. The political argument that the revenues are needed overrules any plea of mere sentiment. Moreover, even if the exemptions were confined to the United States and Spain, it would be extremely difficult to prevent the products of other nations from coming in, via Spain. The old Spanish tariff allowed a heavy preferential on Spanish merchandise, and the merchants of other European countries took advantage of this provision by establishing houses or factories in Spain in order to make their goods technically Spanish. These old arrangements could the more easily be revived, now that Spain has no interest to limit or prevent them.

² The force of the decision was that the duties collected on goods from the Philippines after the exchange of ratifications of the treaty of Paris, and until the approval of the act of March 8, 1902, were illegal. This period was from April 11, 1899, to March 8, 1902.

It is not necessary for the purposes of this paper to review the intricacies of the arguments or to analyze the decisions in the famous insular cases in which the Supreme Court passed upon the constitutionality of these tariffs. It is sufficient for our present purpose to state the results. So far as the tariff in the islands is concerned, the decisions of the Supreme Court established two periods during each of which the legality of these duties rested on a different basis. First, there was the period during which war continued, presumably both the war with Spain and that with the insurgents, namely, from the occupation of Manila down to the Fourth of July, 1902, when the President issued his proclamation declaring that peace existed in the Philippines, except in the territory occupied by the Moros.³ During this period the right to collect duties in the Philippines, both upon imports and exports, no matter what their origin, rested on the power of the President as commander-in-chief of the army to do whatever may in his judgment be necessary for the successful prosecution of war. A decision by him that the imposition of duties is necessary in the territory where war exists cannot be reviewed by the courts. The duties collected by the civil government, so called, under Governor Taft, rested at first on the military authority of the President, just as did those collected by the military government which preceded it; for the source of its authority was the same, the distinction between military and civil in the affairs of the islands being simply one of convenience.

The second period was that after peace had been declared. It continues to the present time. The authority for the duties now imposed is found in the act of March 8, 1902, the constitutionality of which is to be assumed from the fact that a precisely similar act applied to Porto Rico was found to be constitutional. This had been called in question because of a supposed conflict with that clause of the Constitution which requires that "all duties, imposts and excises shall be uniform throughout the United States." The

³ The Supreme Court of the United States has not passed directly upon the duties collected in the islands in the period from the close of the Spanish war to the passage of the act of March 8, 1902. The statement in the text is to that extent merely the opinion of the present writer; but it is sustained by several decisions of the Court of Customs Appeals of the Philippine Islands, notably in case No. 18. The doubtful points are: whether an insurrection not represented by any organized government calls into being the military authority of the President to the same extent as a war with a foreign nation: and whether the "insurgents" were more than bands of robbers incapable of creating "war."

Supreme Court, by inventing a distinction between "foreign territory in an international sense" and "foreign territory in a domestic sense," found a way to sanction the lack of uniformity in duties between our insular possessions and the rest of the United States. It also decided that the power to provide a government for territory acquired as were the Philippines, rested wholly in Congress; and that Congress could constitutionally sanction the levying of duties in such territory. The act of March 8, having sanctioned the tariff prepared and put in force by the United States Philippine Commission, the present duties are fully sustained.

The constitutionality of the export duties collected in the islands forms, in the minds of some people, a separate and distinct question, on account of the special reference to export duties in the Constitution and of the novelty of such duties in American practice. They rest, however, upon precisely the same grounds as the import duties levied in the islands and were equally legal in each of the same two periods. The Federal Constitution declares that Congress has no power to levy a tax or a duty on articles exported from a State. But the Philippines, according to the Supreme Court, are not even analogous to a State and therefore these duties do not come under this prohibition. The Constitution further declares that no State shall levy export duties without the consent of Congress, clearly implying that such duties might be levied with the consent of Congress. If, therefore, the Philippines should be regarded as analogous to a State, the consent of Congress having been obtained the insular government could collect export duties. On either horn of the dilemma these export duties are legal.

The constitutionality of duties levied on goods coming from the Philippines to the United States rests on different grounds in each of three distinct periods. The first was the period of the war with Spain, during which the Philippines remained foreign territory in every sense, and consequently there could be no question as to the application of the regular duties to goods coming from them. This continued until the sovereignty of the United States was fully confirmed by the exchange of ratifications of the treaty of Paris.

The second was the period from the ratification of the treaty of Paris, when the islands were ceded by their former sovereign and could no longer be considered foreign soil, until Congress

determined what the duties should be by the act of March 8, 1902. This was a sort of interregnum during which any duties levied on goods coming from the Philippines were illegal.

The third or present period is that since the passage of the act of March 8, 1902. The duties now levied upon goods coming from the Philippines to the United States rest upon the same grounds as those upon goods from the United States to the Philippines. They may be of any character that Congress shall provide.

Whatever may be thought of the general logic of the decisions of the Supreme Court in the insular cases as to the limits of the Constitution, and however much the fact that the court was so evenly divided may seem to detract from the weight of the rulings in these cases, their effect is eminently beneficial to the islands. Moreover, the only other conceivable line of decisions would have entailed very serious misfortunes for the islands. Ordinarily nothing is more futile than to speculate as to what might have been, had history taken a different turn at a parting of the ways. But, inasmuch as Congress is persistently urged to put into force by statute, which it has the power to do, the only other principles which the Supreme Court could conceivably have followed, it is not altogether a waste of time to state briefly what the consequences would be. It is conceivable that the Supreme Court might have decided that the Constitution extended *proprio vigore* to the territory acquired as a result of the war. The consequences of such a decision would have been the same as if Congress were now to draw the Philippines within the wall of the Dingley tariff and establish free trade between the islands and the United States. Waiving, for the moment only, the possibility that under the treaty of Paris free trade between the United States and the Philippines means free trade between the Philippines and Spain and may mean free trade between the Philippines and all the leading commercial nations and a possible breaking down of the tariff wall at that point, we may state briefly what the consequences would be under the assumption that the wall would stand.

The Dingley tariff was designed especially to foster and protect manufacturing industries, in a country lying in the temperate zone. It is no more suited to the industries and commerce of a strictly tropical country than are the garments worn in a temperate climate suitable for wear in the sweltering heat of Manila. The

protective features would not benefit the islands, for the industries we foster in this way cannot exist there; and carrying the increased cost of all manufactured commodities would impose a staggering burden on the productive industries of the islands. The very things, the price of which we strive to enhance by our protective duties, are the things which the Filipino takes in payment for the products of his soil and the fruits of his labor. To raise their price in order to protect industries he cannot have is like making him wear a heavy ulster to protect him from icy winds that never blow, and uselessly frittering away his strength by compelling him to wear it under the fiery rays of a coppery sun. The advantages of free trade between the islands and the United States would relieve him to some extent, but not enough to offset the burden.

Possibly, however, under the interpretation of the treaty of Paris suggested above, all the leading commercial nations would, if free trade existed between the United States and the Philippines, enjoy free trade in the Philippines and the tariff wall might be broken down at that point. It would, of course, still be possible to prevent foreign goods thus imported free of duty into the islands from being transshipped free of duty to the United States, but it would be troublesome. The most serious consequence, however, would be that the insular government would be deprived of its largest and best source of revenue and would either have to be subsidized from the general treasury of the United States, or resort to heavy internal taxes which would at this stage be highly inexpedient. It is unnecessary and would as well be unjust to the people of the United States to make them pay the cost of government in the islands. That can be and should be borne by the Filipinos themselves.

As the main argument for the retention of the customs duties in the Philippines is the necessity for revenue, that may be considered first. It is the plan of the present government of the islands to depend almost entirely for the support of the central or insular government upon the customs duties and to reserve such other taxes as may be developed for the support of the provincial and municipal governments. The considerations which underlie this policy are partly temporary in their nature and partly permanent. The industries and commerce of the people need time to recover from the ravages of war and a long series of other disasters

recently suffered. Such recovery would be more or less retarded by any very vigorous attempt to collect heavy internal taxes, unless the money were immediately turned back in the form of internal improvements. Customs duties will interfere with the recovery far less. The work of building roads and bridges and in general of facilitating the internal development of the country was sadly neglected under Spanish rule, and almost everything in the way of public equipment, except churches, has to be provided from the bottom up, so that the provincial and municipal governments are in sore need of funds. The educational system has to be developed and expanded and calls for large local contributions. For very obvious political reasons, until the loyalty of the people is thoroughly assured, all money collected by internal taxes and hence consciously paid should be expended immediately under the eye of the taxpayers. Such a use of taxes collected is an innovation in the islands, for the Spaniards sent all that could be collected into Manila and but little was expended for the benefit of the people; but its very novelty will emphasize the tendency of such a policy to create and promote a healthy interest in good government. The same general considerations of political expediency recommend that the central or insular government, whose important functions are not performed under the eye of the taxpayers, should be supported, so far as possible, by taxes the payment of which is not directly called to the attention of the taxpayer. It is again the old problem of how to get the necessary amount of feathers with the least amount of hissing. As the customs duties now in force are very much lower than those under Spanish rule and are far more equitably adjusted, the people cannot but feel a sense of relief rather than of increased burden in these taxes. The best evidence of this is the increased importations.

Under Spanish rule only about 30 per cent of the revenues was had from the customs. But the Spanish administration of the customs duties was woefully deficient. In the best year of the Spanish administration, 1894, the customs in every branch yielded but 4,702,952 dollars Mexican, or about \$2,352,000 gold. Our administration took the same tariff with some important reductions and applied it to the trade which remained after the war and made it yield \$4,400,000 (in 1899). This confirms the statement of merchants that they evaded duties under Spanish rule.

The wares which passed through the customs in the best year under Spanish administration were reported as worth 61,600,000 dollars Mexican, or \$30,800,000 gold at the rate of exchange in that year. In our first complete year they were \$44,000,000 gold and have been rising rapidly ever since. The small returns from customs duties obtained by Spain were due to three causes: first, the trade of the islands was smaller, the average annual tonnage of vessels entering and leaving the ports of the islands during the last five years of Spanish rule being only half what it was during the first two of American, and the prices especially of the great staples like hemp were lower than they have been since the American occupation, so that the expressed values were lower on similar quantities; second, the exemptions granted on Spanish merchandise amounted to about \$500,000 per annum; and third, there was notoriously collusion between the customs officials and the importers, which resulted in loss to the revenue and a falsification of the statistics by an amount which cannot now be determined.

Our present tariff in the islands is eminently more equitable than was the Spanish. The old tariff fell heavily on necessities and lightly on luxuries, in which respect ours is the exact reverse. The Spanish tariff included many prohibitive duties; ours is more nearly uniform at 20 per cent. This alone tends to stimulate importations. As imports have steadily exceeded the exports, by an amount which cannot be explained by differences due to freights alone, there is ground for supposing that our tariff has encouraged importation for investment and for the establishment of stocks of goods.

The advisability of depending on customs duties for the support of the central or insular government becomes more apparent when we consider the possible substitutes for them. Under Spanish rule about 45 per cent of the revenues came from the "cedula" or personal poll tax, which was a direct descendant of the "tribute," a tax feudal in origin and conception.⁴ The collection of these heavy poll taxes was enforced by means which were decidedly oppressive and it became the chief center and means of corruption

⁴ For a full description of this and of the other revenues of the Spanish government, see two articles by the present writer in the "Political Science Quarterly," Vol. XVI, No. 4, and Vol. XVII, No. 1.

in the government. This tax was abandoned during the war, and as it has so unsavory a past and is out of accord with the spirit of our institutions, it is doubtful whether it would be wise to revive it save possibly in the form of a light registration tax for local purposes. The remaining one-fourth of the income of the Spanish government came from miscellaneous receipts, of which the most important were the income tax, the opium monopoly and the lottery. The income tax should certainly be retained by our government. It was in a form most admirably adapted to the conditions, was equitable and easy to collect and is not unpopular. But for the time being its yield will not be large and should be devoted to the support of the local governments. It is the best means at hand for making the Chinese traders contribute their fair share to the support of government. The lottery, of course, we cannot revive; but the opium monopoly offers a source of revenue admirably suited to the uses of the central government to supplement the customs. It can be made to pay about a million dollars per annum, the burden of which would fall almost solely on the Chinese, and it would make it possible to confine the use of the drug. This is practically the only one of all the old sources of revenue that is suitable at present for the central government. The new land tax is appropriated already to local purposes and must be kept inviolate for that; it is in no way suitable for the central government. There is at present under tentative consideration by the government of the islands a plan for the eventual introduction of indirect internal taxes similar to those in the United States, and it is thought that these may eventually be made to yield a good revenue. But this added burden should not be imposed at present. It would inevitably be more costly and more troublesome in operation than the customs duties. When everything is considered, it seems beyond question that the customs duties now collected in the islands are necessary and should be retained.

The tariff now in force in the islands was well planned, and the only amendments it may need are those of detail to bring some few items in the schedule into more perfect accord with the original plan and purposes. This tariff was first prepared by the Commission in the islands. It was slightly amended by the War Department before it was finally approved, was passed September 17, 1901, went into effect November 15, 1901, and was re-enacted by Con-

gress March 8, 1902. It is a tariff as strictly for revenue only as is possible to draw. It was drawn carefully with a view to an equitable distribution of the burden. It imposes a gross burden of about 14 per cent on the whole commerce of the islands, and the import duties alone amount to about 23 per cent on the total imports. With a few unimportant exceptions the duties are all specific.

Normally, by far the most important item of importation into the Philippines is cotton cloth, which amounted under Spanish rule to about \$4,000,000 per annum, and in 1902 to \$7,200,000. Most of this comes from Germany and England, although the trade with the United States in cottons is growing. The next important item is rice, which of late has come mainly from the French possessions in China. This is the chief staple of diet and used to be an article of export. But since the opening of the Suez Canal the market for the great staples of export, hemp, sugar, tobacco and copra, has so improved that the Filipino can turn his energies to much better use than the cultivation of so unremunerative and laborious a crop as rice. The best interests of the people lie in the direction of the greatest possible development of the products in which they have so marked an advantage over other parts of the world and in the adoption of a more nutritious diet, so the falling off in rice culture need cause no solicitude. The rest of the imports are of a miscellaneous character. The most important are animals, animal products and meats, a little over \$2,000,000; flour and cereals, mainly from the United States, \$1,000,000; liquors and beverages, \$1,500,000; iron and steel, \$2,000,000.

If the import duties need amendment anywhere, it is in the direction of lessening the duties on food products. Like all tropical countries, the Philippines are short of products of high nutritious value. The common idea that the tropics are rich in food is mistaken. Vegetables and fruits run to fibrous growth, and contain relatively little concentrated nutriment, while meats are scarce and hard to conserve. The canned, dried and preserved fruits, vegetables, fish and meats, as well as wheat flour and other high-grade cereals of the temperate zone, are needed in the tropics to develop more strength and physical vigor in the tropical races than a diet of rice and cocoanut oil will impart.

The exports of the islands upon which duties are levied are

great staples which command a good place in the world's markets. The export duties are light and are to be regarded as in lieu of other taxes. These great industries which flourish under the protection of the government contribute in practically no other way to its support.

So long as it remains necessary, as it is at present, to raise revenue by customs duties in the Philippines, questions of tariff reform in the islands will be largely matters of detail. No general principles are at stake. The tariff relations between the islands and the United States, especially in so far as they affect the duties on insular products imported into the United States, involve far more serious considerations. At present Philippine products imported from the islands to the United States pay 75 per cent of the Dingley tariff and enjoy a rebate of the export duties levied in the islands. The United States Philippine Commission asked for a reduction to 25 per cent of the regular rates. The bill which came most nearly to passage in the last regular session of Congress, but which was talked out in the Senate on the day before adjournment, offered a reduction to 50 per cent only.

As the matter now stands, there are practically only two products of the islands that are likely to be affected by any changes in the rates. These are sugar and tobacco. The Philippine exports are: abaca (commonly known as Manila hemp, or simply Manila), 67 per cent of the total exports; sugar, 12 per cent; cigars, 7 per cent; copra (dried cocoanut), 9 per cent; and a miscellaneous list, all of which are small, amounting to about 5 per cent. In the time of the Spaniards these proportions were different, owing mainly to the fact that sugar entered more largely into the exports. The proportions then were: abaca, 40 per cent; sugar, 37 per cent; tobacco, 11 per cent; and all other, 12 per cent. Coffee and rubber (or gutta-percha) are among the important probabilities of the future. Abaca or hemp, which constituted, in 1902, \$19,290,610 out of the total of \$28,671,904 of exports, is now admitted free for use and consumption in the United States, and enjoys a rebate of the amount of the export duties levied in the islands. No question has arisen as to the tariff position of abaca, save as to the advisability of remitting the export duty. It seems of doubtful propriety to continue this exemption, because the islands enjoy a practical monopoly of this valuable product, and the industry, at

present the most important in the Philippines, contributes practically nothing beyond the export duties to the support of the government under which it lives. Copra is not much used in the United States, most of that which leaves the islands going to France, where the oil is extracted and manufactured into fine toilet soaps. It is free of duty here already, as are also coffee, rubber and gutta-percha.

The question therefore narrows down to sugar and tobacco, and in connection with these there are many important considerations to be taken up. The Philippine Commission in urging the reduction said that these products would not be dumped on the market in the United States in sufficient quantities to injure any American industry and that the relief afforded the islands would be important to them. The beet-sugar interests in the United States took alarm, their anxiety being already aroused by the possibility of reciprocity with Cuba. There was more or less opposition expressed on behalf of the tobacco interests, but it never came to such vehement expression as that on behalf of beet sugar, because Manila tobacco has no prestige in the United States and its competition with American and Havana tobacco here will probably not be serious for some time to come. Manila tobacco enjoys an excellent market in certain parts of Europe, and until a taste for it is developed in the United States it cannot be introduced here at all unless fostered by very heavy differentials in its favor in the customs tariff. Even if the duty were entirely removed, so that it stood on the same footing with the domestic tobacco, it is doubtful whether its competition would be serious save for Havana tobacco. The diversion of any of the Manila tobacco from Europe would tend to raise the price of all tobacco there and stimulate to that extent a better demand for our domestic product abroad. The only American interests at all affected, or likely to be affected, by the reduction of the duty on Manila tobacco are those which have capital invested in the Cuban tobacco trade.

The beet-sugar industry, however, lives so much in the shade of the heavy protective duties that its representatives have felt the possible introduction of more tropical sugar to be a serious menace. The danger from the side of the Philippines, however, is not very serious. The amount of sugar which can be or is likely to be produced in the Philippines cannot be very definitely stated.

How much of it will reach European markets, how much will go to China and Japan, and how much will stay in the Philippines themselves, are equally problematical. The insular consumption itself is always considerable and grows "with leaps and bounds," as does that of China and Japan with every increase in prosperity. The statistics with relation to Philippine sugar are extremely difficult of interpretation, and it is very troublesome to reconcile the different estimates with one another.⁵ The exports of sugar during the years of Spanish rule when affairs were fairly normal was about 200,000 tons per annum. During the war it fell off, and even in 1902 amounted to but 97,038 tons. It will be a sanguine estimate which places the output for the next few years at a possible 200,000 tons. The world's production of cane sugar for 1903-1904 is estimated at 4,342,800 tons, against which the Philippine product is but $4\frac{1}{2}$ per cent, or less than 2 per cent of the combined output of cane and beet sugar. The total consumption of sugar in the United States is about 2,400,000 tons per annum, of which the total output of the Philippines, even at the estimate of 200,000 tons, is but one-twelfth. The increase in a single year in the output of sugar in Hawaii, which comes in free of duty, was more than the probable output of the Philippines. In 1902 we received but 5,000 tons of sugar from the Philippines, in spite of the fact that this sugar came in at a 25 per cent reduction in the duties of the Dingley tariff and enjoyed the advantage over sugar going to

⁵ For the exports of sugar in Spanish times the best data are the statements in kilograms in the *Estadística General del Comercio de las Islas Filipinas*, published annually by the customs in Manila. But the valuations given in those publications are not very trustworthy. The next source is the reports of the Chamber of Commerce in Manila. These give *piculs*. The *picul* of the islands is ordinarily 139.469 pounds, but sometimes the picul of 137.9 pounds is used in making reductions to other weights and sometimes the China picul of 133 $\frac{1}{4}$ pounds is used. Care should be taken therefore in any citations from the reports of the Chamber of Commerce to ascertain what figure was used in making reductions to other weights. Philippine sugar is part "wet," part "dry" and part "clayed," and runs in many grades, of which the United States Custom House has established tests for nine, on which the duty runs from 1.125 to 1.37 cents per pound less 25 per cent. Great difficulty is involved in ascertaining from the reports what grade of sugar is referred to. Manila, Cebu and Iloilo are usually reported separately and this affords a partial clue. The most serious difficulties arise from the uncertainty of the crop year. Ordinarily Philippine sugar is harvested in December and the grinding, etc., goes on into March. But large quantities are often shipped as late as August. This renders it almost impracticable to compare receipts in the countries of destination with reported shipments in the islands. Much sugar goes through Hong Kong and its final destination is unknown to the officials in the Philippines. Willett and Gray's and Mr. Licht's estimates are those most frequently quoted. But these seem to understate the Philippine exports. The extensive collection of statistics relating to sugar in the "Monthly Summary of Commerce and Finance" for November, 1902 is the most available source of information, and the different statistics cited there are better reconciled than usual.

other markets of a rebate of the export duty of five cents a hundred kilos, amounting roughly to 1 per cent. It would seem, therefore, that the contention of the Commission is sustained and that the introduction of Philippine sugar at reduced rates would not seriously affect the beet-sugar industry of the United States. In comparison with the million tons per annum which Cuba will probably produce, the Philippine output seems very small. But while the Philippine sugar industry seems small when placed in contrast with the gigantic resources of the sugar market as a whole, or even with the very considerable consumption in the United States, it is a large industry in the islands and means a great deal to the people there. The concession asked would be a small one for the people of the United States to grant, but it is a large one for the Filipinos to receive. The abolition of the beet-sugar bounties recommended by the Brussels Sugar Convention of March 5, 1902, which took effect in September, 1903, promises such improvement in prices that the beet-sugar industries of the United States have been inclined to modify their opposition to the proposed reductions in the sugar tariff. Possibly the reductions prayed for will be granted in the near future.

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